



**JOSEPH KELLY**  
TREASURER AND TAX COLLECTOR

## COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 437  
LOS ANGELES, CALIFORNIA 90012  
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January 26, 2016

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

### **ADOPTION OF A RATE ORDINANCE ESTABLISHING FEE AND CHARGE RATES FOR THE CALABASAS LANDFILL REFUSE DISPOSAL FACILITY (THIRD DISTRICT) (3 VOTES)**

#### **SUBJECT**

Approval of the recommended amendments to Title 12 of the Los Angeles County Code will increase certain fee and charge rates at the Calabasas Landfill Refuse Disposal Facility, effective as of March 1, 2016. The revised fee structure is necessary to provide funding for operations and maintenance, capital expenditures and debt service obligations at the Calabasas Landfill.

#### **IT IS RECOMMENDED THAT THE BOARD AFTER THE PUBLIC HEARING:**

1. Adopt the ordinance amending Title 12 of the Los Angeles County Code and establishing fee and charge rates at the Calabasas Landfill Refuse Disposal Facility, effective as of March 1, 2016.
2. Find that these actions are statutorily exempt under the California Environmental Quality Act.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Landfill Operations

Approval of the above recommendations will authorize an increase to the existing fee and charge rates prescribed for waste disposal at the County-owned Calabasas Landfill (the "Landfill"). Based

on consultation with, and advice from the Sanitation Districts of Los Angeles County (the "Districts"), it is proposed that the total rate charge for the disposal of municipal solid and inert waste ("MSW") at the Landfill be raised from \$43.32 per ton to \$47.32 per ton effective March 1, 2016. In addition to the MSW rate increase, the ordinance provides for a similar increase in the rates for other waste disposal categories set by the County, as specified in the attached Ordinance prepared by County Counsel. The changes to the fee structure are necessary to maximize revenue and improve the economic efficiency of the Landfill, which continues to incur ongoing operational deficits. A copy of the letter from the Districts recommending the increase in the fee and charge rates for the Landfill is attached for your reference.

#### Negative Declaration/Environmental Impact Report

Your Board's adoption of the proposed ordinance is statutorily exempt from the provisions of the California Environmental Quality Act ("CEQA") pursuant to Section 15273 of the State CEQA Guidelines for Implementation. CEQA provides for an exemption from environmental review for specific activities that are deemed not to have a significant impact on the environment. The attached ordinance meets this exemption given that the proposed modifications apply solely to solid waste disposal rates that generate funds for the purpose of: 1) meeting operating expenses; 2) equipment purchases and; 3) capital projects necessary to maintain services within an existing service area.

#### Public Notice

In accordance with California Government Code Sections 6062(a) and 66018, my office has caused a notice to be published in a local newspaper at least ten (10) days prior to the date of your Board's public hearing on the proposed fee and charge rates at the Landfill.

#### **Implementation of Strategic Plan Goals**

This action supports the County of Los Angeles Strategic Plan Goal #1: Operational Effectiveness/Fiscal Sustainability through collaborative actions between the County and other local jurisdictions, including the Sanitation Districts of Los Angeles County.

#### **FISCAL IMPACT/FINANCING**

After the economic downturn in 2008, the Landfill experienced a significant decrease in the volume of solid waste deliveries and a corresponding decrease in operating revenue. Despite the economic recovery, the volume of solid waste disposed at the Landfill has not returned to pre-recession levels and the Landfill continues to operate in a deficit position. With the ongoing operational deficits, the Landfill is unable to fund its debt service obligations and the County has continued to pay the full annual debt service on the Bonds.

On September 2, 2015, the remaining \$21.550 million principal amount of outstanding Bonds was fully refunded with a portion of the proceeds from the issuance of the \$133,330,000 Los Angeles County Public Works Financing Authority Lease Revenue Refunding Bonds, 2015 Series B (the "Series B Refunding Bonds"). Although the Series B Refunding Bonds achieved significant savings in gross debt service costs to the Landfill of approximately \$3.978 million, the Landfill is still expected to operate in a deficit position, and the County General Fund will be obligated to pay the remaining \$21.931 million of total debt service costs through the final maturity in June 2022.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The County's authority to set rates at the Landfill was established in connection with the sale of the \$38,475,000 Los Angeles County Public Works Financing Authority Lease Revenue Bonds (Calabasas Landfill Project) (the "Bonds") to fund essential capital projects at the Landfill. The Bonds were authorized by your Board on November 22, 2005, and subsequently issued on January 5, 2006, by the Los Angeles County Public Works Financing Authority (the "Authority"). Pursuant to the terms of the Fourth Amendment to the Amended Joint Powers Agreement (Calabasas Landfill) by and between the County and Sanitation District No. 2 of Los Angeles County, which was executed to facilitate the issuance of the Bonds, the net operating revenues of the Landfill are pledged as security for the repayment of the Bonds, and the authority to establish the fee and charge rates at the Landfill was transferred to the County. To the extent that net operating revenues are insufficient to cover the annual debt service obligations of the Landfill, the County is required to fund the annual debt service payments on the Bonds.

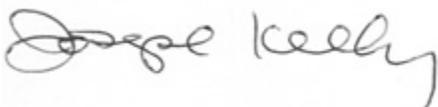
**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Adoption of the proposed ordinance will provide funding for the continued operation and maintenance of the Landfill.

**CONCLUSION**

Upon adoption of the ordinance, it is requested that the Executive Office of the Board return two originally executed copies to the Public Finance Office of the Treasurer and Tax Collector.

Respectfully submitted,



Joseph Kelly  
Treasurer and Tax Collector

JK:GB:DB:JP:JW:p  
abpb/brdltr/calabas  
aslandfill

Enclosures

- c: Chief Executive Officer
- Auditor-Controller
- County Counsel
- Director of Public Works
- Executive Officer, Board of Supervisors
- County Sanitation Districts



COUNTY OF LOS ANGELES  
OFFICE OF THE COUNTY COUNSEL

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MARY C. WICKHAM  
County Counsel

January 11, 2016

Joseph Kelly  
Treasurer and Tax Collector  
437 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

**Re: Amendment of Title 12 – Environmental Protection of the  
Los Angeles County Code to Increase Fee and Charge Rates  
for the Calabasas Landfill Refuse Disposal Facility**

Dear Mr. Kelly:

Pursuant to your request, enclosed is our analysis and proposed ordinance amending Title 12 – Environmental Protection of the Los Angeles County Code to increase fee and charge rates for the Calabasas Landfill refuse disposal facility, effective as of March 1, 2016.

The ordinance may be presented to the Board of Supervisors for its consideration at a public hearing.

Very truly yours,

MARY C. WICKHAM  
County Counsel

By   
CAMMY C. DUPONT  
Principal Deputy County Counsel  
Government Services Division

APPROVED AND RELEASED:

  
LESTER J. TOLNAI  
Acting Chief Deputy

CCD:ck

Enclosure

## ANALYSIS

This ordinance amends Title 12 – Environmental Protection of the Los Angeles County Code, to increase fee and charge rates for the Calabasas Landfill refuse disposal facility, effective as of March 1, 2016.

MARY C. WICKHAM  
County Counsel

By   
CAMMY C. DUPONT  
Principal Deputy County Counsel  
Government Services Division

/CCD

1/08/16 (Requested)  
1/08/16 (Revised)

**ORDINANCE NO. \_\_\_\_\_**

An ordinance amending Title 12 – Environmental Protection of the Los Angeles County Code, relating to increase fee and charge rates for the Calabasas Landfill refuse disposal facility, effective as of March 1, 2016.

The Board of Supervisors of the County of Los Angeles ordains as follows:

**SECTION 1.** Section 12.48.050 is hereby amended to read as follows:

**12.48.050 Fee and Charge Rates.**

Effective ~~January~~ March 1, 2015~~16~~, the following fee and charge rates will be prescribed for waste disposal at the Calabasas Landfill:

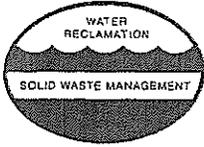
A. Types of Waste:

Types of Waste:	Rates:
Municipal Solid and Inert Waste	<del>\$43.32</del> <u>47.32</u> /ton
Hard to Handle Bulky Items	<del>\$53.32</del> <u>57.32</u> /ton
Tires	\$84.82/ton
Special Handling	<del>\$57.32</del> <u>62.32</u> /ton
Minimum Charge	<del>\$41.65</del> <u>45.50</u> per load
Pull-Offs	<del>\$40.00</del> <u>42.00</u> each

B. A surcharge of \$4.40/ton, subject to a minimum charge of \$4.40, will be charged with respect to all uncovered loads capable of producing litter.

C. A surcharge of \$4.40/ton, subject to a minimum charge of \$4.40, will be charged with respect to all non-manifested tire loads.

[1248050CDCC]



## COUNTY SANITATION DISTRICTS OF LOS ANGELES COUNTY

1955 Workman Mill Road, Whittier, CA 90601-1400  
Mailing Address: P.O. Box 4998, Whittier, CA 90607-4998  
Telephone: (562) 699-7411, FAX: (562) 699-5422  
www.lacsd.org

GRACE ROBINSON HYDE  
Chief Engineer and General Manager

November 19, 2015

Mr. Joseph Kelly  
Treasurer and Tax Collector  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Mr. Kelly:

### **Calabasas Landfill – Solid Waste Management Facility Rates**

This letter is to advise the County of Los Angeles of the Sanitation Districts recommendations for new rates for the Calabasas Landfill. The County, as owner of the Calabasas Landfill, has rate-setting authority for the landfill pursuant to the Fourth Amendment to the Amended Joint Powers Agreement – Calabasas Landfill, December 6, 2005. The County's rate-setting authority was established when the County incurred bonded indebtedness, through the Los Angeles County Public Works Financing Authority, to pay for capital improvements at the landfill necessary to develop the site to its full permitted capacity. The Sanitation Districts act as an advisor regarding the rates for the landfill.

For several years, the Calabasas Landfill experienced significant decreases in the amount of waste received at the site. The tonnage decreases caused major decreases in site revenue. The landfill staff reacted to the decrease in revenue and significantly reduced key operational expenses such as equipment and labor costs. However, there are other costs less related to tonnage levels, such as for operating and maintaining environmental control systems, which will continue. Last year, the County approved a modest increase in the rates that were effective January 1, 2015 in an effort to bring the site closer to breakeven. This was the first rate increase on disposal at Calabasas since January 2010 because of declining tonnage and market concerns. The recent rate increase did not impact incoming tonnage and in fact, tonnage has increased over the past year from an average of 770 tons per day to an average of 1,000 tons per day. The Sanitation Districts believe that the current market conditions will allow for this proposed increase without hurting incoming tonnage. The rate increase is expected to generate additional revenue over the next year and hopefully demonstrate that the solid waste market is stable enough to make future increases and continue towards making the site financially self-sustaining.

The Sanitation Districts recommend that the Municipal Solid and Inert Waste rate at the Calabasas Landfill be increased from the current rate of \$43.32 per ton to \$47.32 per ton, effective February 1, 2016. The increase of \$4.00 per ton would be comprised of \$3.64 per ton for capital and operating expenses of the landfill and \$0.36 per ton for the County's Business License Tax. Related increases in the rate categories of minimum, hard-to-handle and pull-offs are also recommended. The tipping fees for recycling segregated uncontaminated loads of green waste will be increased by \$3.50 per

Mr. Joseph Kelly

-2-

November 19, 2015

ton to reflect the increased costs of providing this service. The current and recommended new rates are shown on the attached table for the Calabasas Landfill.

If you have any questions concerning the recommended rates, please contact John Gulledge, Department Head, Financial Management Department (ext. 2401).

Very truly yours,



Grace Robinson Hyde

GRH:FP:ew

Attachment

SCHEDULE OF PROPOSED RATES FOR REFUSE DISPOSAL  
AT CALABASAS LANDFILL

<u>CALABASAS LANDFILL</u>	<u>CURRENT RATES</u>	<u>PROPOSED RATES *</u> <u>February 1, 2016</u>
Municipal Solid and Inert Waste	\$43.32 /ton	\$47.32 /ton
Hard-to-Handle, Bulky Items	\$53.32 /ton	\$57.32 /ton
Tires	\$84.82 /ton	\$84.82 /ton
Special Handling	\$57.32 /ton	\$62.32 /ton
Minimum Charge MSW	\$41.65 per load	\$45.50 per load
Pull-Offs	\$40.00 each	\$42.00 each
Segregated Uncontaminated Green Waste (1-ton minimum charge)	\$28.48 /ton	\$31.98 /ton
Asphalt	\$20.00 /ton	\$20.00 /ton
-Minimum Charge (Asphalt)	\$50.00 per load	\$50.00 per load

\*Rates adopted by County of Los Angeles. The County has authorized the Chief Engineer and General Manager to set a reduced rate for the acceptance of beneficial materials such as segregated uncontaminated green waste and asphalt.

Uncovered Loads Capable of Producing Litter and Non-manifested Tire Loads - \$4.40/ton surcharge; \$4.40 minimum

All rates include the following state, county and local fees and taxes (fees expressed on a per ton basis do not apply to green waste, asphalt and pull-offs):

California Integrated Solid Waste Management Fee:	\$1.40 /ton
Los Angeles County Solid Waste Management Fee:	\$1.50 /ton
Los Angeles County Department of Health Services Regulatory Service Fee:	\$0.36 /ton
Los Angeles County Business License Tax (unincorporated County area only):	10% of gross receipts excluding state and local fees and taxes